

20 November 1981

MEMORANDUM FOR: Director, National Foreign Assessment Center

FROM:
Deputy Director of European Analysis

SUBJECT: The NIC Agenda of Contingencies

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We have reviewed those topics which fall, either fully or in part, under the purview of this Office and offer the following comments on the separate items:

- Disintegration in Yugoslavia. OPA was the principal drafter of an NIE on post-Tito Yugoslavia some three years ago; the judgments remain remarkably valid to this day. Subsequently we did a number of other assessments. We are continuing to look at those developments which might suggest serious problems for the country's future unity and have four projects on our research program in the first half of next year: The Yugoslav Economic Situation, The Opposition in Yugoslavia, Yugoslavia's XII Party Congress, and The Kosovo Uprising. We do not see much merit in looking beyond divisive tendencies to what a disruption of Yugoslavia unity would mean in any detail until divisive forces become stronger there. In that event, one could get a better sense of who the major players are and what they stand for. HASK
- Implications of Diminished Soviet Control Over Eastern Europe. This is a very broad area which includes Soviet and West European questions, as well as East European. We are monitoring the actions of Eastern Europe states under our priority research issue, "Implications for US and Soviet Interests of Political and Economic Change in Eastern Europe," and the European Issues Division will follow the impact of developments in Poland on Western Europe. Although we have no specific projects planned, we do intend, over the longer term, to look into the matter of Eastern Europe-Western Europe convergence. USSR

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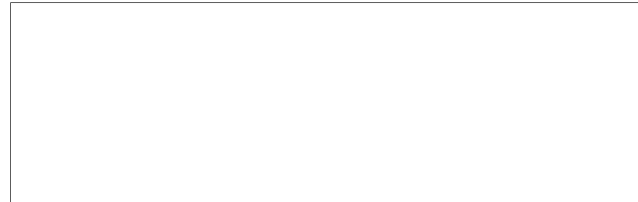
- ⑤ Prospects for and Implications of Growth of Neutralist Attitude in Europe. We will be covering this broad topic in a number of ways: the peace movement is well covered at the moment and we will continue to follow it closely; we will continue to monitor the Western Europe defense efforts; and we will be doing more and more work in the area of defense spending after we reconstitute the data base. Specifically, there is a SNIE on neutralism coming up which will be drafted in the NIC but in which we will be heavily involved. We will do a major paper on how economic constraints are affecting military forces and there is a NIE on Germany coming up which will surely touch on this topic. WE
- ⑥ Effects of Persistent Stalemate in Polish Crisis. Our East Europeans regard this as a non-issue, in that the current pause in the Polish crisis is less a stalemate than a change in tactics by the regime. These new tactics will have positive or negative consequences--possibly traumatic--by spring. WE
- ⑦ France: Economic and Political Consequences of Pursuit of a Doctrinaire Socialist Program. This topic will be a major component of a planned NIE on France scheduled for the first quarter of 1982. In addition, analysts are currently working on a number of papers examining pressures within the Socialist Party, the evolution of Communist strategy, the labor situation, and the implementation of the nationalization programs--all of which will include constraints on a "radicalization" of Socialist policy as well as forces pushing for a more doctrinaire approach. WE
- ⑧ Greek Withdrawal from NATO. Because Greece withdrew from the military command once before, we have a good idea of what the consequences would be. Moreover, the question of Greek policy toward NATO is addressed implicitly in nearly all of our articles on Greece and will be addressed explicitly in an IA scheduled for early spring 1982. Any paper dealing with Greece and NATO should probably have a broader focus since the NATO question is tied so closely to Greek-US bilateral issues and to other questions such as the Cyprus dispute. WE
- ⑨ Britain Pulls Out of the Common Market. We would see this as a topic to look at in the run-up to the election in the UK, but 1984 is a long way off. WE

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- Persistent OECD Stagflation. We will address this theme in most of our scheduled economic work on major West European states. *WE*
- Implications of Continued Japanese Export Surpluses. We have just completed an IEEW article on EC-US Japanese trade tensions and will expand it into an IM or an IA early in 1982. *WE*



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